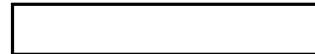


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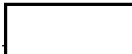
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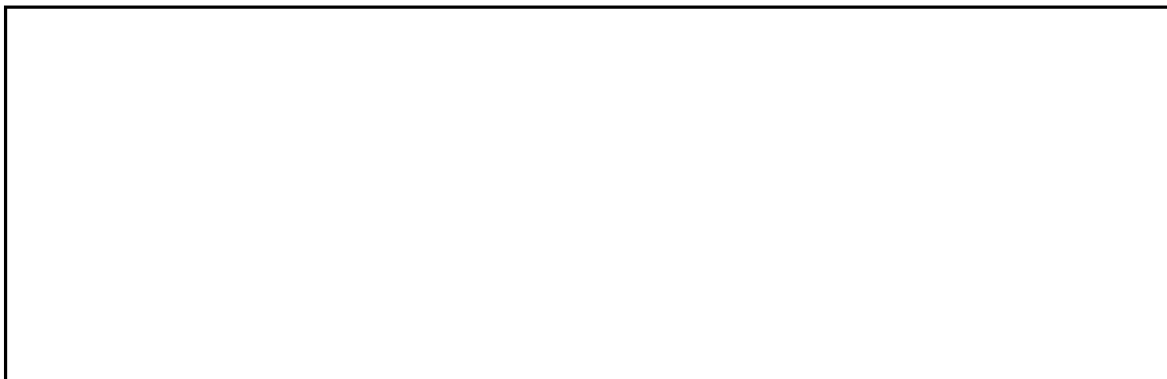
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State Dept. review completed

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SUMMARY

GENERAL

1. Comment on India's acceptance of active role in Formosa crisis (page 3).

25X1

SOUTHEAST ASIA

3. Cambodia to seek rectification of border with Cochinchina (page 4).

WESTERN EUROPE

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5. Adenauer proposes West include Moscow in a security system (page 6).

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6. The Situation in Saigon (as of 2000 EDST, 1 May) (page 7).

THE FORMOSA STRAITS
(Page 13)

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GENERAL

1. Comment on India's acceptance of active role in Formosa crisis:

25X1 [REDACTED] In accepting Chou En-lai's request to send Krishna Menon to Peiping for further consultations on Formosa, Prime Minister Nehru has again seized an opportunity to assume an active role in promoting peace in Asia and to recoup some of the prestige he lost at the recent Afro-Asian conference.

Chou's invitation to India's best-known diplomat, whose anti-American bias is well established, suggests that Peiping is prepared for a protracted period of maneuvering on negotiations over the Formosa issue. In accepting the invitation, Nehru publicly proclaimed India's friendliness and lack of prejudice toward both sides.

25X1 Nehru's public proclamation that India and "other parties concerned" had "known for some time that China was willing to enter into direct talks," and his statement that Chou's offer "can lead to an approach toward a peaceful settlement," suggest that the Indian premier may be prepared to blame the United States if Menon's mission fails to bring positive results. [REDACTED]

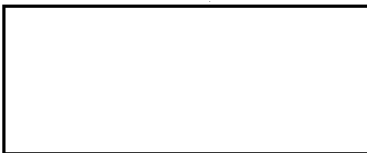
[REDACTED] 25X1

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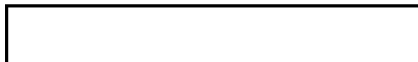
SOUTHEAST ASIA

3. Cambodia to seek rectification of border with Cochinchina:



Ambassador McClintock has learned that a major purpose of Prince Sihanouk's trip to Paris next month will be to negotiate rectification of Cambodia's boundary

with Cochinchina, now the major part of South Vietnam. According to Privy Councilor Penn Nouth, the Cambodian government considers the regaining of certain territory ceded to Cochinchina by the French an urgent matter in view of the "inevitability" of a Communist election victory in South Vietnam. Penn Nouth emphasized that Cambodia would look to the United States and Britain for help in securing these border changes.



McClintock comments that obviously a thorny problem is building up.

Comment: The Cambodia-Cochinchina frontier was demarcated in the 19th century by the French and early in the 20th century the French made certain minor changes in favor of Cochinchina. The Cambodians have been traditionally resentful of the encroachment of Vietnamese along their south-eastern border. Cambodia and Vietnam do not maintain direct diplomatic relations.

WESTERN EUROPE

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5. Adenauer proposes West include Moscow in a security system:

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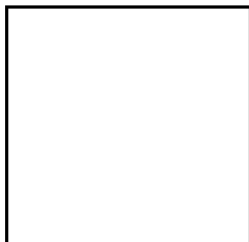
[REDACTED] Chancellor Adenauer, through a personal envoy, Herbert Blankenhorn, has proposed to the Allied four-power conference working group in London that the West offer to include the Soviet Union and its Satellites in a new security system consisting of all the European states, Canada and the United States. The proposal provides for over-all limits on arms, inspection of defense establishments, and a system of nonaggression and mutual assistance arrangements. The German arms build-up under the Paris accords would not be affected nor would NATO force goals, since the arms limits would be set high enough so as not to interfere.

Simultaneously, the West should also offer to re-unite Germany under the Eden plan--which called for free all-German elections and freedom of alliance. Blankenhorn feels, however, that the Eden plan will continue to be rejected by the Soviet Union. Nevertheless, he states that German public opinion expects the West to adopt a more advanced position on East-West problems than that taken at Berlin in February 1954. Such a proposal, he believes, may enable the West to regain the initiative.

Comment: While Adenauer's proposal would stand little chance of being accepted by the Soviet Union, he believes these arrangements are the only safe basis for German unity. In his opinion, unity will be possible only following a general detente between the USSR and the United States.

* * * *

6. The Situation in Saigon (as of 2000 EDST, 1 May):



By the evening of 1 May in Saigon the forces loyal to Premier Diem were clearly in the ascendancy. An attempted coup d'etat by General Vy, Bao Dai's designated military plenipotentiary, had failed. A press report from Cannes of 1 May stated that Bao Dai had "reaffirmed" his

faith in Premier Diem and had issued a third invitation to the premier to come to France. Bao Dai had described his last previous invitation as the "second and last."

Early in the morning of 1 May, Vy had issued a communiqué stating that there was no constitutional government in Vietnam and that he was the sole legal power. Vy's attempts to win the support of General Ty and other key officers in Saigon failed and Vy reportedly enplaned for Dalat at 1500. Shortly before Vy's flight the French radio in Saigon quoted General Ely as urging the population to "give all necessary help to the armed forces of Vietnam."

Vy's attempt to overthrow Diem, like that of the Binh Xuyen, had virtually no chance of success unless it had the active backing of the French Expeditionary Corps. Despite the statements of French government spokesmen in Paris and General Ely that the action "deposing" Bao Dai, taken by a "Revolutionary Council" supporting Diem on 30 April, was "illegal," the French command in Saigon apparently made no overt move to intervene.

The "Revolutionary Council," which first appeared on 30 April, is a group of extremists supporting the premier. It has Diem's unofficial sanction but its statements go beyond official government policy. Those sect leaders who have been in Diem's camp during the dispute with the Binh Xuyen--Cao Dai generals Phuong and The and Hoa Hao general Ngo--have played an important, if not dominant, part in the current revolutionary activity.



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[REDACTED]
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[REDACTED] 25X1
[REDACTED] the Cao Dai pope--
long an ally of the Binh Xuyen--and certain lesser Hoa Hao warlords
issued anti-Bao Dai proclamations on the 29th and 30th.

At 1500 hours (Saigon time) Binh Xuyen
forces were reportedly concentrated approximately 12 miles south
of Saigon. Binh Xuyen morale was said to be low; 100 troops
had defected during the day. [REDACTED] 25X1

CHRONOLOGY

Several days
prior to
28 April Ba Cut liaison reportedly tells Vietnamese
source United Front expects major conflict
with National Army within few days, proba-
bly 1 May. [REDACTED] 25X1

26 April Diem establishes new National Police
headquarters, with Colonel Le as chief,
on Blvd. Gallieni. [REDACTED] 25X1

28 April Le tells press that, effective 1430 hours,
he will stop movement mobile Binh Xuyen
patrols. [REDACTED] 25X1

1215 Hours
28 April Mortar shells land in Y Bridge area from
unknown point of origin, according to Ely.
Embassy notes official French briefing
made no mention of this but stated shell-
ing began at 1315 with attack on palace.
[REDACTED]

25X1

1245 Hours
28 April Conflict begins when Binh Xuyen report-
edly opens fire on truckload of National
Army troops in front of police headquarters
on Blvd. Gallieni. [REDACTED] 25X1

1315 Hours
28 April Serious battle begins as Binh Xuyen lobbs
nine mortar shells on or near palace. Diem

25X1

25X1

informs Ely that more shelling will bring VNA retaliation. Attack continues, and Diem orders fire returned. [REDACTED]

25X1

Afternoon,
Evening
28 April

Heavy fighting, largely concentrated in Y Bridge area and along Arroyo Chinois. Large area between Arroyo Chinois and Blvd. Gallieni in flames. [REDACTED]

25X1

28 April

Bao Dai cables Diem, appointing General Nguyen Van Vy army commander and ordering Diem and others to Cannes for talks. Diem told to arrive 3 May for conference beginning 5 May. [REDACTED]

25X1

28 April

Kidder sees Ely; latter holds Diem responsible for bloodshed, implies US largely to blame. [REDACTED]

25X1

Morning
29 April

Cabinet meeting reportedly produces unanimous approval of strong cable from Diem to Bao Dai rejecting latter's instructions. Premier's communiqué says cabinet decided presence of premier indispensable and that Vy's assumption of command would have "baneful consequences" for country. [REDACTED]

25X1

29 April

National Army succeeds in gaining objective of banks of Arroyo Chinois after overcoming most Binh Xuyen strongpoints in city. [REDACTED]

25X1

25X1

29 April

[REDACTED] Cao Dai pope Pham Cong Tac and Hoa Hao military leader Tu Day today issued anti-Bao Dai, anti-French statements. [REDACTED]

25X1

29 April

Bao Dai orders General Nguyen Van Hinh to leave for Vietnam to "survey" situation. [REDACTED]

25X1

1430 Hours
29 April

French start deploying heavily armed troops along principal boundaries of Saigon's European sector. [REDACTED]

25X1

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[REDACTED]
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29 April

Ely tells Kidder and British ambassador that Diem's refusal to obey Bao Dai puts him in illegal position. Kidder believes Ely had hoped to get American and British support in demarche to Diem for cease-fire. [REDACTED]

25X1

29 April

[REDACTED] Colonel Thai Hoang Minh, Binh Xuyen chief of staff, is now suspicious of French intentions, and is negotiating rallying to the government of three Binh Xuyen battalions. [REDACTED]

25X1

29 April

[REDACTED] VNA has total of 80 French prisoners. [REDACTED]

25X1

25X1

1800 Hours
29 April

VNA reportedly flanks and forces Y Bridge. Binh Xuyen falls back to point two miles south of Saigon. VNA attempting envelopment. [REDACTED]

25X1

29 April

[REDACTED]

25X1

30 April

Provisional assembly, called "The Revolutionary Democratic Forces of the Nation," "fires" Bao Dai, orders Diem to dissolve cabinet and form a new one. Assembly, which has cabinet backing, adopts resolution assailing Bao Dai as puppet of French colonialists. Bao Dai portrait on city hall torn down at instigation of sect loyalists, smashed by crowd. [REDACTED]

25X1

30 April

General Vy, after conference with Diem, reads statement under duress, saying he agrees with assembly's action deposing Bao Dai, and adds: "I place myself at disposal of Premier Diem." [REDACTED]

25X1

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25X1

[REDACTED]

25X1

25X1

30 April [REDACTED] Hoa Hao colonel
Nhuyen Van Hue issued anti-Bao Dai procla-
mation. [REDACTED]

25X1

30 April Cabinet reportedly sends cable to Bao Dai
protesting latter's decision to send Hinh on
"survey" mission as "serious insult" to
government and army. [REDACTED]

25X1

30 April Some members of imperial family in Saigon
said to have decided to urge Bao Dai to re-
tain Diem. [REDACTED]

25X1

30 April General Ty given additional star, Colonels
Don (AC/S) and Minh (Comdr First Mil
Region) raised to generals. [REDACTED]

25X1

30 April VNA reports supply situation satisfactory.
Binh Xuyen reported low on ammunition
and down to strength of 2,000. Believed
tired and ready to quit. Some evidence
internal dissension. Binh Xuyen may find
means to improve supply situation. [REDACTED]

25X1

0030 Hours General Vy released from palace. Issues
1 May statement that he is "sole legal power."
[REDACTED] (Vy later told Emb his release
followed threat by comdr of a paratroop
battalion to attack palace unless Vy freed.)

25X1

0900-1000 Hours Bloodless struggle between VNA units and
1 May Imperial Guard units under Vy for control
of national bank, national radio, and PTT
(last two in French sector). Army gains
control of radio and PTT. [REDACTED]

25X1

1200 Hours People's Revolutionary Council and VNA
1 May representatives, including Ty and Don,
meet at palace. Adopt resolution of full
support for Ty. [REDACTED]

25X1

1 May Cannes--Bao Dai reportedly "reaffirms"
support for Diem and renews order to Diem
to proceed to Cannes. [REDACTED]

25X1

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25X1

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1 May French military source says Hoa Hao forces allied with Binh Xuyen marching on Saigon.

25X1

1400 Hours French radio in Saigon quotes Ely as urging
1 May population to support Vietnamese army.
Comment: Ely may have made statement under impression General Vy in command.

25X1

1500 Hours General Vy reportedly enplanes for Dalat.
1 May His residence, crowded with officers a few hours earlier, now deserted.

25X1

25X1

1 May Diem's decision not to go to Cannes is final.
General Hinh will not be permitted to enter Vietnam.

25X1

25X1

1 May People's Revolutionary Council authorizes Diem to form new government which will organize elected assembly and ask complete withdrawal of French troops. Demands full-scale revolution to wipe out colonialist regime.

25X1

1 May Vietnamese defense minister says referendum will decide issue of monarchy or republic within a few months.

25X1

1 May Paris radio says all observers agree situation turning in favor of Diem.

25X1

1600 Hours Binh
1 May Xuyen concentrated 12 miles south of Saigon, with French blocking approaches to them. Binh Xuyen morale bad. Over 100 defected during day. Government expects 3 battalions to rally in near future.

25X1

25X1

25X1

THE FORMOSA STRAITS

Report of the IAC Current Intelligence Group for the Formosa Straits Problem

This report is based on information received in Washington
up to 1100 hours 1 May 1955.

1. No significant developments have been reported.